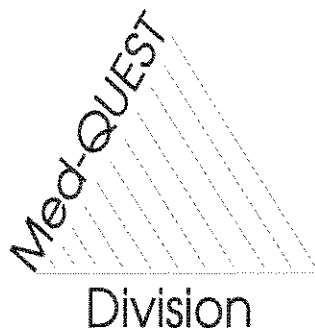


STATE OF HAWAII
Department of Human Services

REQUEST FOR PROPOSAL

To Perform Physical Examinations under
the General Assistance Program
RFP-MQD-2005-007



Med-QUEST Division
Finance Office
Issued November 12, 2004

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION
KAPOLEI, HAWAII

Legal Ad Date: November 12, 2004

REQUEST FOR PROPOSALS

No. RFP-MQD-2005-007

Competitive Sealed Proposals:

**To Perform Physical Examinations Under the
General Assistance Program
for
the Department of Human Services**

**will be received up to 2:00 p.m. Hawaii Standard Time (H.S.T.)
on
December 6, 2004**

**in the Department of Human Services
Med-QUEST Division
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707**

**Questions relating to this solicitation may be directed to:
Dona Jean Watanabe
Telephone: (808) 692-7973
Fax: (808) 692-7989**



**Steven Kawada, Assistant Administrator
Department of Human Services/Med-QUEST Division**

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SECTION 10

ADMINISTRATIVE OVERVIEW

10.100 Purpose of the Request for Proposal (RFP)

This RFP seeks offerors who are able to evaluate GA applicant's or recipient's physical ability to perform sedentary work at least 30 hours a week. Evaluators must be licensed physicians in the State of Hawaii with experience and knowledge both of an individual's physical capability to work and of temporary or permanent disability that prevents an individual from working.

The organizations responding to this RFP must be able to provide the required services on a statewide basis. Proposals limited to a specific island or county will not be accepted.

The successful contractor must provide all staffing, office space, office equipment, travel expenses, computer hardware and software procedures required to perform the services described herein. The contractor shall be responsible for all costs of providing the required services as described in this RFP.

Offerors are advised that the entire RFP, any addenda, and the corresponding proposal shall be part of the contract with the successful Offeror.

The Department of Human Services (DHS) reserves the right to modify, amend, change, add or delete any requirements in this RFP and in the documentation library to serve the best interest of the State. If significant amendments are made to the RFP, the State will consider allowing Offerors additional time to submit their proposals.

Offerors are encouraged to read each section of the RFP thoroughly. While sections may appear similar among RFP's state purchasing agencies may add additional information as applicable. It is the responsibility of the Offeror to understand the requirements of each RFP.

10.200 Authority for Issuance of RFP

This RFP is issued under the provisions of the Hawaii Revised Statutes (HRS), Chapter 103F and its administrative rules. All prospective offerors are charged with presumptive knowledge of all requirements of the cited authorities. Submission of a valid executed proposal by any offerors shall constitute admission of such knowledge on the part of such offeror. Failure to comply with any requirement may result in the rejection of the proposal. DHS reserves the right to reject any or all proposals received or to cancel this RFP, according to the best interest of the State.

10.300 Issuing Officer

This RFP is issued by the State of Hawaii, Department of Human Services. The Issuing Office within DHS is the sole point of contact from the date of release of this RFP until the selection of the successful offeror. The Issuing Officer is:

Mr. Steve Kawada/Assistant Administrator
Department of Human Services/Med-QUEST Division
601 Kamokila Boulevard Room 518
Kapolei, Hawaii 96707
Telephone: (808) 692-8052

10.400 Use Of Subcontractors

In the event of a proposal submitted jointly by more than one organization, one organization shall be designated as the prime offeror and shall have responsibility for 70 percent or more of the work to be performed. The project leader shall be an employee of the prime offeror and meet all the relevant requirements. All other participants shall be designated as subcontractors. Major subcontractors shall be identified by name and by a description of the services/functions they will be performing. The prime offeror shall be wholly responsible for the entire performance whether or not subcontractors are used. The prime offeror shall sign the contract with DHS.

10.500 Organization of the RFP

This RFP is composed of seven sections plus appendices:

- **Section 10 – Administrative Overview** – Provides general information on the purpose of the RFP, the authorities relating to the issuance of the RFP and the organization of the RFP.
- **Section 20 - RFP Schedule and Requirements** – Provides information on the rules and schedules for procurement.
- **Section 30 – Background** – Describes the current medical assistance program.
- **Section 40 – Scope of Services** – Provides information on the services to be provided under the contract.
- **Section 50 – Terms and Conditions** – Describes the terms and conditions under which the work will be performed.
- **Section 60 – Technical Proposal** – Defines the required format of the technical proposal and the minimum information to be provided in the proposal.
- **Section 70 – Evaluation and Selection** – Defines the evaluation criteria and explains the evaluation process.

Various appendices are included to support the information presented in Sections 10 through 70.

Offerors are advised that the entire RFP, any addenda, and the corresponding proposal shall be a part of the contracts with the successful offerors.

SECTION 20

RFP SCHEDULE AND REQUIREMENTS

20.100 RFP Timeline

The delivery schedule set forth herein represents DHS's best estimate of the schedule that will be followed. If a component of this schedule, such as Proposals Due date, is delayed, the rest of the schedule will likely be shifted by the same number of days. The proposed schedule is as follows:

Issue RFP	November 12, 2004
Submission of written questions and Letter of Intent to Propose	November 22, 2004
Written responses to questions	November 24, 2004
Receipt of Proposals	December 6, 2004
Contract Award	December 10, 2004
Implementation	January 10, 2005

20.200 Written Questions

Offerors shall submit questions in writing and/or on diskette in Word 97 format, or lower, to the following address:

Mr. Steve Kawada
c/o Dona Jean Watanabe
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707
Fax: (808) 692-7989

The written questions shall reference the RFP section, page and paragraph number. Offerors must submit written questions by 2:00 p.m., (H.S.T.) on November 22, 2004. DHS shall respond to the written questions no later than November 24, 2004. Only correspondence issued by the issuing officer shall be considered valid. No verbal responses will be considered as official.

20.300 Letter of Intent

Potential offerors shall submit a letter of Intent to Propose to the Issuing Officer no later than 2:00 p.m. (H.S.T.) November 22, 2004. Submission of a Letter of Intent to Propose is not a prerequisite for the submission of a proposal, but it is necessary that the Issuing Officer receive the letter by this deadline to assure proper distribution of amendments, questions and answers and other communication regarding this RFP. A Letter of Intent to Propose may be sent on company letterhead by mail or faxed to:

Steven Kawada
c/o Dona Jean Watanabe
Med-QUEST Division-Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707
Fax: (808) 692-7989

20.400 Tax Clearance

Each Offeror shall provide the State and Federal Tax Clearance, as assurance that all state and federal liabilities have been paid and there are no outstanding balances owed. These tax clearances must be provided at the time the proposals are submitted and prior to the final payment made for this contract period.

An original or certified copy of a tax clearance certificate issued by the Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with the Contractor's proposal by the due date and time.

Effective 12/1/97, tax clearance certificates are valid for a six-month (not 180 day) period beginning on the later dated DOTAX or IRS approval stamp. For example, an 8/1/98 certificate is valid through 2/1/99.

The tax clearance submitted with the sealed offer must be valid on the solicitation's legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

The tax clearance certificate shall be obtained on the State of Hawaii, DOTAX Tax Clearance Application Form A-6 (rev. 2002) which is available at the DOTAX and IRS office in the State of Hawaii or the DOTAX website, and by mail or fax:

DOTAX Website (Forms and Information):

<http://www.state.hi.us/tax/tax.html>

DOTAX forms by mail: (808) 587-7572

1-800-222-7572

DOTAX forms by fax: (on Oahu) (808) 587-7272

(outside Oahu) (808) 678-0522

Out-of-state Offerors should mail their applications to DOTAX's Oahu District Office.

Contractor is also required to submit a tax clearance certificate for final payment on the contract.

20.500 Certificate of Good Standing

Upon award of a contract, the Contractor will be required to obtain a Certificate of Good Standing from the Department of Commerce and Consumer Affairs (DCCA) Business Registration Division (BREG).

A business entity referred to as a "Hawaii business", is registered and incorporated or organized under the laws of the State of Hawaii. Contractor shall submit a "Certificate of Good Standing" issued by the DCCA, BREG.

A business entity referred to as a "compliant non-Hawaii business," is not incorporated or organized under the laws of the State of Hawaii but is registered to do business in the State. Contractor shall submit a "Certificate of Good Standing" and may be obtained from www.BusinessRegistrations.com. To register or to obtain a "Certificate of Good Standing" by phone, call (808) 586-2727 (M-F 7:45 to 4:30 HST). The "Certificate of Good Standing" is valid for six months from date of issue and must be valid on the date it is received by the purchasing agency. Contractors are advised that there are costs associated with registering and obtaining a "Certificate of Good Standing" from the DCCA. Any costs are the responsibility of the Contractor.

20.600 References

Contractor will list, on Appendix B, three (3) companies, non-profit organizations, or government agencies for which services similar to those requested herein were, or are currently being performed. The State reserves the right to contact the references provided.

20.700 Documentation

Offerors may review information describing Hawaii's Medicaid program and QUEST program by contacting the RFP Coordinator by telephone between 7:45 A.M. and 4:30 P.M. for an appointment. The documentation library contains material designed to provide the Offerors with additional and supplemental information and shall have no effect on the requirements stated in this RFP.

The documentation library maintained at the location of the issuing officer in Kapolei, Hawaii includes the following:

- QUEST applications
- Definition of medical services
- Minimum QAP standards
- Organization charts and functional statements
- Rules and regulations
- Definition of aged, blind and disabled
- Financial sanctions
- Financial reporting requirements
- Complaint, grievance and appeal requirements
- Outstationed Workers Guide
- Other pertinent data

Offerors that request copies of documentation after visiting the Documentation Library shall be provided the documents at cost. Packaging and shipping of documentation shall be the responsibility of the Offerors.

All possible efforts shall be made to ensure that the information contained in the documentation library is complete and current. However, DHS does not warrant that the information in the library is indeed complete or correct and reserves the right to amend, delete and modify the information at any time without notice to the Offerors.

20.800 Proposal Bond

Each transmittal letter with the proposal shall be accompanied by a proposal bond in the form of:

- Legal tender (cash)
- Certificate of deposit issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii
- Certified check issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii
- Cashier's check issued by a bank that is insured by the FDIC and made payable to the Department of Human Services, State of Hawaii

The proposal bond shall be in the amount of \$500.00. The proposal bond shall be forfeited to DHS if a successful Offeror fails to execute a contract within 14 days after notification of award of contract. DHS will extend the 14 days for circumstances beyond the control of the Offeror. The proposal bond shall be returned to the successful Offeror upon execution of a legal contract and submittal of a performance bond, and to the unsuccessful Offerors after the contract has been signed by all appropriate parties.

20.900 Rules of Procurement

To facilitate the procurement process, various rules have been established as described in the following subsections.

20.910 No Contingent Fees

No Offeror shall employ any company or person, other than a bona fide employee working solely for the Offeror or company regularly employed as its marketing agent, to solicit or secure this contract, nor shall it pay or agree to pay any company or person, other than a bona fide employee working solely for the Offeror or a company regularly employed by the Offeror as its

marketing agent, any fee commission, percentage, brokerage fee, gift, or other consideration contingent upon or resulting from the award of a contract to perform the specifications of this RFP.

20.920 Restriction on Communication with State Staff

From the issue date of this RFP until an Offeror is selected and the selection is announced, communications with State staff may be made pursuant to Section 3-143-401, Hawaii Administrative Rules (HAR).

20.930 On-Site Visits

The department reserves the right to conduct an on-site visit to verify the appropriateness and adequacy of the offeror's proposal before the award of the contract.

After the award of the contract, prior to implementation an on-site readiness review will be conducted by a team from the Med-QUEST Division and will examine the prospective contractor's information system, staffing for operations, subcontractor and provider contracts, and other areas that will be specified prior to review.

21.100 RFP Amendments

DHS reserves the right to amend the RFP any time prior to the closing date for the submission of the proposal. Amendments shall be sent to all potential Offerors who requested copies of the RFP.

21.200 Costs of Preparing Proposal

Any costs incurred by the Offerors for the development and submittal of a proposal in response to this RFP are solely the responsibility of the Offeror, whether or not any award results from this solicitation. The State of Hawaii shall provide no reimbursement for such costs.

21.300 Disposition of Proposals

All proposals become the property of the State of Hawaii. The successful proposal shall be incorporated into the resulting contract and shall be public record. The State of Hawaii shall

have the right to use all ideas, or adaptations to those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal shall not affect this right. Written requests for an explanation of rejection shall be responded to in writing within five (5) working days of receipt.

Offerors who submit technical proposals which do not meet mandatory requirements or which do not meet all the threshold requirements during the technical evaluation phase, shall have their technical and business proposals returned. The business proposal shall be returned unopened.

21.400 Rules for Withdrawal or Revision of Proposals

A proposal may be withdrawn or revised at any time prior to, but not after, the deadline for receipt of proposals December 6, 2004 provided that a request in writing executed by an Offeror or its duly authorized representative for the withdrawal or revision of such proposal is filed with DHS before the deadline for receipt of proposals. The withdrawal of a proposal shall not prejudice the right of an Offeror to submit a new proposal.

21.500 Independent Price Determination

State law requires that a bid shall not be considered for award if the price in the bid was not arrived at independently without collusion, consultation, communication, or agreement as to any matter relating to such prices with any other Offeror or with any competitor.

An Offeror shall include a certified statement in the proposal certifying that the bid was arrived at without any conflict of interest, as described above. Should a conflict of interest be detected at any time during the term of the contract, the contract shall be null and void and the Offeror shall assume all costs of this project until such time that a new Offeror is selected.

21.600 Confidentiality of Information

If an Offeror seeks to maintain the confidentiality of sections of the proposal, each page of the section(s) should be marked as "Proprietary" or "Confidential." Proprietary or confidential information includes, but is not limited to, business, financial information, medical records, and patient information. An explanation to DHS of how substantial competitive harm would occur if the information were released is required. DHS will maintain the confidentiality of the information to the extent allowed by law.

21.700 Acceptance of Proposals

DHS reserves the right to reject any or all proposals received or to cancel this RFP according to the best interest of the State.

DHS also reserves the right to waive minor irregularities in proposals providing such action is in the best interest of the State.

Where DHS may waive minor irregularities, such waiver shall in no way modify the RFP requirements or excuse an Offeror from full compliance with the RFP specifications and other contract requirements if the Offeror is awarded the contract.

DHS also reserves the right to consider as acceptable only those proposals submitted in accordance with all technical requirements set forth in this RFP and which demonstrate an understanding of the requirements. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be disqualified without further notice.

21.800 Submission of Proposals

Each qualified Offeror may submit only one proposal. More than one proposal shall not be accepted from any Offeror.

Four (4) bound and one (1) unbound copy of the technical proposal shall be received by the Issuing Officer no later than 2:00 p.m. (H.S.T.) on December 6, 2004. Any proposals received after December 6, 2004, 2:00 p.m. HST will be rejected

and returned to the Offeror. Proposals shall be mailed or delivered to:

Mr. Steven Kawada
c/o Dona Jean Watanabe
Department of Human Services
Med-QUEST Division/Finance Office
1001 Kamokila Boulevard, Suite 317
Kapolei, Hawaii 96707

The outside cover of the package containing the technical proposal shall be marked:

Hawaii DHS/RFP-MQD-2005-007
Physical Examinations Under the General Assistance Program
for the Department of Human Services
Technical Proposal
(Name of Offeror)

Any amendments to proposals shall be submitted in a manner consistent with this Section.

21.900 Disqualification of Offerors

An Offeror shall be disqualified and the proposal automatically rejected for any one or more of the following reasons:

- Proof of collusion among Offerors, in which case all bids involved in the collusive action shall be rejected and any participant to such collusion shall be barred from future bidding until reinstated as a qualified Offeror.
- An Offeror's lack of responsibility and cooperation as shown by past work or services.
- An Offeror's being in arrears on existing contracts with the State or having defaulted on previous contracts.
- An Offeror's lack of sufficient experience to perform the work contemplated.
- An Offeror's lack of a proper license to cover the type of work contemplated if required to perform the required services.
- An Offeror shows any noncompliance with applicable laws.
- An Offeror's delivery of proposal after the deadline specified in the advertisement calling for bids.
- An Offeror's failure to pay, or satisfactorily settle, all bills overdue for labor and material on former contracts with the State at the time of issuance of this RFP.
- An Offeror's lack of financial stability and viability.
- An Offeror's lack of a proposal bond.
- An Offeror's consistently substandard performance related to meeting the MQD requirements from previous contracts.

22.100 Irregular Proposals

Proposals shall be considered irregular and rejected for the following reasons including, but not limited to the following:

- If either the proposal letter or transmittal letter is unsigned by an Offeror or does not include notarized evidence of authority of the officer submitting the proposal to submit such proposal.
- If the required proposal bond is not included in the envelope with the transmittal letter.
- If the proposal bond is not in accordance with the form or substance required by this RFP.
- If an Offeror or surety fails to sign the surety bond submitted as proposal guaranty.
- If the proposal shows any non-compliance with applicable law or contains any unauthorized additions or deletions, conditional bids incomplete bids, or irregularities of any kind, which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning.
- If an Offeror adds any provisions reserving the right to accept or reject an award, or enters into a contract pursuant to an award, or adds provisions contrary to those in the solicitation.

22.200 Rejection of Proposals

The State reserves the right to consider as acceptable only those proposals submitted in accordance with all requirements set forth in this RFP and which demonstrate an understanding of the problems involved and comply with the service specifications. Any proposal offering any other set of terms and conditions contradictory to those included in this RFP may be rejected without further notice.

A proposal may be automatically rejected for any or more of the following reasons: (Relevant sections of the HAR for Chapter 103F, HRS are parenthesized)

- (1) Rejection for failure to cooperate or deal in good faith (Section 3-141-201)
- (2) Rejection for inadequate accounting system (Section 3-141-202)
- (3) Late Proposals (3-143-603)
- (4) Inadequate response to request for proposals (Section 3-143-609)
- (5) Proposal not responsive (Section 3-143-610 (1))
- (6) Offeror not responsible (Section 3-143-610(2))

22.300 Opening of Proposals

Upon receipt of proposal by a state purchasing agency at a designated location, proposals, modifications to proposals, and withdrawals of proposals shall be date-stamped and, when possible, time-stamped. All documents so received shall be held in a secure place by the state-purchasing agency and not examined for evaluation purposes until the submittal deadline.

Procurement files shall be open to the public inspection after a contract has been awarded and executed by all parties.

22.400 Award Notice

A notice of intended contract award, if any, shall be sent to the selected Offeror on or about December 10, 2004.

The contract award is subject to available funding. Any agreement arising out of an offer is subject to the approval of the Department of Attorney General as to form and to all further approvals, including the approval of the Governor as required by state, regulation, rule, order, or other directive.

22.500 Disputes on Award of Contract

Offerors may file a protest against the awarding of the contract as long as an original and two copies of the protest is served upon the head of the state purchasing agency that conducted the protested procurement, and the procurement officer who handled the protested procurement, by United States mail, or by hand-delivery. A Notice of Protest regarding an award of contract and related matters that arise in connection with a procurement made under a competitive purchase of services

shall be served within five working days of the postmark of the notice of findings and decision sent to the protester. The Notice of Protest form, SPO-H-801, is available on the SPO website www2.hawaii.gov/spoh. Only the following may be protested:

- (1) a state purchasing agency's failure to follow procedures established by Chapter 103F of the Hawaii Revised Statutes;
- (2) a state purchasing agency's failure to follow any rule established by Chapter 103F of the Hawaii Revised Statutes; and
- (3) a state purchasing agency's failure to follow any procedure, requirement, or evaluation criterion in a RFP issued by the state-purchasing agency.

Head of State Purchasing Agency	Procurement Officer
Name: Lillian B. Koller, Esq.	Name: Steve Kawada
Title: Director	Title: Procurement Officer
Mailing Address: P.O. Box 339 Honolulu, Hawaii 96809-0339	Mailing Address: P.O Box 700190 Kapolei, Hawaii 96709-0190
Business Address: 1390 Miller St. Honolulu, Hawaii 96813	Business Address: 601 Kamokila Boulevard, Room 518 Kapolei, Hawaii 96707

SECTION 30

BACKGROUND

30.100 Medical Assistance in Hawaii

The Department of Human Services (DHS) administers the Medicaid XIX fee-for-service (FFS) program and a section 1115 managed care waiver program called the Hawaii QUEST (QUEST). The Med-QUEST Division (MQD) is the organizational unit within DHS that is responsible for the operation and administration of both programs.

Recipients of the Medicaid FFS and QUEST programs must meet basic eligibility criteria:

- be a U.S. citizen or legal resident alien entering the U.S. before August 22, 1996 or allowed to participate in Medicaid under provisions of the Personal Responsibility and Work Reconciliation Act of 1996 and subsequent amendments of those provisions
- legal resident alien children (under 19) who entered the U.S. after August 22, 1996
- intend to reside in the State of Hawaii
- provide a verified social security number
- not reside in a public institution, including correctional facilities and the Hawaii State Hospital.

The Medicaid fee-for-service program includes the Aged, Blind, and Disabled (ABD) population while QUEST includes individuals in the DHS financial assistance programs for the Temporary Aid to Needy Families (TANF) and General Assistance (GA) as well as children in the Foster Care Program. Adults and children who are not aged, blind, or disabled and who meet the basic eligibility criteria as well as financial criteria (assets and income) are also allowed into QUEST.

The FFS program covers an array of medical and related services such as inpatient, outpatient, hospital, clinic services, physician services, nursing facility, home health, prescription drugs, podiatry, dental services for children, emergency dental services for adults, medical transportation, and hospice care. Medicaid providers are reimbursed at Medicaid established rates on a fee-for-service basis for covered services provided to eligible

recipients. Providers file their claims with the State's fiscal agent for reimbursement.

The QUEST program provides medical, and behavioral health services statewide through a managed care delivery system. When eligibility is determined, QUEST eligibles are allowed to select a medical plan from the available plans on the island of their residence. Each island has a minimum of two medical plans. Persons who are determined to meet the criteria of seriously mentally ill are also enrolled in a behavioral health managed care plan.

A separate plan is available for those children/youth ages 3 to 18 or 20 (depending on their educational status) who are eligible for the Department of Health – Child and Adolescent Mental Health Division behavioral health services. The provision of certain transplants for children and adults is assumed by the Department of Human Services Transplant Program.

The State of Hawaii Department of Human Services is responsible for determining whether or not an applicant for financial assistance under the General Assistance (GA) program has a temporary physical or mental disability such that the individual is unable to engage in substantial gainful employment, at least thirty hours per week. The Department seeks to establish a Statewide process accessible to individuals on each island for the performance of medical examinations and associated diagnostic testing to make determinations of temporary or permanent physical disability.

30.200 Statement of Need

In the past a variety of physicians performed these medical examinations, but problems existed because examinations were not completed on a timely basis and in a consistent manner satisfactory to the Department. By establishing a Statewide standardized process, quality control as well as timely performance can be achieved.

SECTION 40

SCOPE OF WORK

40.100 Introduction

The purpose of this contract is to make disability determinations by carrying out physical evaluations on applicants between the ages of 18 and 65 who are applying for financial assistance and believe that they are temporarily disabled such that they cannot engage in substantial gainful employment at least 30 hours sedentary or manual work per week. The contractor must be or must sub-contract with or employ physicians licensed in Hawaii who are qualified to take and to review medical histories, carry out physical examinations, and order and evaluate pertinent laboratory and diagnostic tests including but not limited to laboratory, x-ray, pulmonary function or other tests such as work capacity evaluations. In addition to scheduling and tracking appointments, the contractor must ensure that examinations will be carried out in a timely manner. Routine examinations and determinations of disability must be made in no more than 5 working days after the date of referral and the paperwork described in Section 40.300:10 returned to the unit within 5 working days after the date of examinations. Evaluations for emergency financial assistance must be completed within 48 hours of referral. Records will be kept and reports prepared on forms provided by DHS. Completed cases will be reviewed by DHS's medical board.

40.200 Target Population

The target population is composed of QUEST and Medicaid FFS recipients. QUEST currently provides managed care health services to approximately 155,000 individuals. There are approximately 38,500 individuals who are covered under Medicaid FFS based on September 2004 data. Over 70% of these recipients reside on Oahu.

40.300 Scope of Work

It is expected that the offeror will address and perform the tasks set forth below. It is also understood that this listing of tasks and activities is not all-inclusive and that other elements of work may be addressed within the offeror's proposal, if deemed appropriate.

1. Establish examining sites and set up an appointment system. Be able to perform approximately 200 to 400 medical evaluations per month statewide and to track completed evaluations and missed appointments. DHS staff and clients must be able to schedule and confirm appointments. The contractor must be able to perform up to ten (10) emergency financial assistance evaluations per month within 48 hours of referral.
2. Review past medical history as it may relate to temporary disability. Obtain present medical history.
3. Have physicians knowledgeable as to the functional requirements necessary for an individual to perform 30 hours sedentary or manual work per week, to perform physical examinations and to make determinations of disability – temporary and permanent.
4. Have physicians who can order and evaluate appropriate laboratory, x-ray, pulmonary or other tests as indicated. Also the physicians should order consultations or Work Capacity evaluations if indicated.
5. Have physicians who can complete the recording of the results of the history, examination and evaluation of testing and to make one of the following determinations:
 - a. Applicant qualifies for temporary (GA) disability for X months;
 - b. Applicant meets the Supplemental Security Income (SSI) criteria; and
 - c. Applicant does not meet GA or SSI criteria for temporary or permanent disability.
6. Coordinate the findings with DHS's medical board and Benefit, Employment and Support Services Division (BESSD) representative, with a determination regarding the client's employability, eligibility for GA or probable eligibility for SSI.
7. Have staff to maintain a file of completed cases and active cases and be able to inform BESSD on the status of all evaluations and to ensure that emergency requests will be expedited and completed within 48 hours of application. It is estimated that approximately 200-400 applications will be received on a monthly basis.
8. Meet with a multidisciplinary team, as needed, to include a BESSD representative, other social workers, MQD medical consultant to review specific cases.

9. The selected offeror must provide statewide coverage. DHS's selected offeror will not receive any monetary compensation, reimbursement or additional funding for any inter-island visit by an evaluator.
10. The examination will be completed by entering the results on Form 1270 "Physical Examination Report." Form 1127 "Medical History and Disability Statement", must be completed by the therapist and reviewed by the examiner. If available, form 1128 "Disability Report", must be reviewed by the examiner.

40.400 Accuracy, Completeness and Timeliness of the Data

- Accuracy – data and reports shall be correct and present accurate information.
- Timeliness- the required data, information, and/or reports shall be received by DHS as specified in sections 40.100 and 40.300
- Completeness – all requested data information should be fully disclosed with no material omissions.

Failure to submit complete and accurate reports on a timely basis to DHS, shall be subject to a \$500 per day penalty, unless waived in writing by DHS.

40.500 Availability/Access

The Contractor shall be available to DHS staff, at a minimum, Monday through Friday, 7:45 a.m. through 4:30 p.m., Hawaii Standard Time. The bidder shall describe which functions will be located locally and what components will reside outside of the State. For those functions residing outside of the State, please describe how these functions will be accessible to DHS, if applicable, and any limitations on availability.

SECTION 50

TERMS AND CONDITIONS

50.100 General

This RFP, any amendments, appendices, and an Offeror's proposal submitted in response to this RFP form an integral part of the contract between an Offeror and DHS. The offeror shall perform all of the services and shall develop, produce and deliver to DHS all of the data requirements described in this RFP.

In the event of a conflict between the contract or agreement, and applicable statutes and regulations, the latter shall prevail. In the event of conflict among the contract documents, the order of precedence shall be as follows: (1) Agreement, including all general conditions, special conditions, attachments and addenda; (2) the RFP, including all attachments and addenda; and (3) Offeror's proposal. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control. The sections of the rules and regulations cited in this RFP may change as the rules and regulations are amended for QUEST and the Fee-For-Service Program. No changes shall be made to this RFP due to changes in the section numbers. The documents in the documentation library shall be changed as needed. The availability and extent of the materials in the documentation library shall have no effect on the requirements stated in this RFP.

The contract shall be construed in accordance with the laws of the State of Hawaii.

The Offeror shall comply with all laws, ordinances, codes, rules and any way affect its performance under the contract. The standard State general terms and conditions found in Appendix C shall become part of the contract between the Contractor and the State.

The Offeror shall pay all taxes lawfully imposed upon it with respect to the contract or any product delivered in accordance herewith. DHS makes no representations whatsoever as to the liability or exemption from liability of an Offeror to any tax imposed by any governmental entity.

The offer shall be executed by the Hawaii Department of Human Services in accordance with the Hawaii Revised Statutes, Chapter 103F, and the administrative rules promulgated thereunder.

50.200 Term of the Contract

The contract term shall begin on January 10, 2005, or upon execution of the contract, whichever is later and shall continue through June 30, 2006.

DHS shall have the option to extend the contract with the contractor for two (2) fiscal years beyond June 30, 2006. Any renewal or extension of the contract will be subject to the appropriation and availability of funds and acceptable performance by the Contractor (to be determined by the State).

The Offeror acknowledges that other unanticipated uncertainties may arise that may require an increase in the original scope of services from the Contractor awarded this contract. In the event that additional services may be required, the Contractor agrees to enter into a supplemental agreement upon request by the State for the additional work. The supplemental agreement may also include an extension of the period of performance and a respective increase in the compensation.

This is a multi-term contract solicitation that has been deemed to be in the best interest of the State by the Director of Human Services. The contract is for the initial period of January 10, 2005 to June 30, 2006. The contract may be extended without the necessity of re-bidding, for not more than two (2) additional 12-month period or parts thereof, upon mutual agreement in writing, at least sixty (60) days prior to expiration of the contract, provided that the contract price for the extended period shall remain the same or lower than the initial bid price or as adjusted in accordance with the CONTRACT PRICE ADJUSTMENT provision herein. Funds are available for only the initial term of the contract, and the contractual obligation of both parties in each fiscal period succeeding the first initial term is subject to the appropriation and availability of funds to DHS.

The contract will be cancelled only if funds are not appropriated or otherwise made available to support continuation of

performance in any fiscal period succeeding the initial term of the contract; however this does not affect either the State's rights or the Contractor's rights under any termination clause of the contract. The State must notify the Contractor, in writing, at least sixty (60) days prior to the expiration of the contract whether funds are available or not available for the continuation of the contract for each succeeding contract extension period. In the event of cancellation, as provided in this paragraph, the Contractor will be reimbursed for the unamortized, reasonably incurred, nonrecurring costs, in accordance with HRS 103F-315(c) and § 3-122-149 (g), HAR.

50.300 Contract Changes

Administrative, procedural, and system changes to this contract for the scope of work as defined in this RFP shall be accomplished by written contract amendment. There are two types of contract amendments:

- Administrative and procedural changes shall be made utilizing a process whereby a contract amendment is written describing the new or changed requirement, approved as to form by the Department of Attorney General, and signed by the Director of DHS and the authorized representative of the Contractor
- Changes to the scope of services to be provided by a Contractor shall be negotiated as to the modifications of the annual maximum rate established in the original proposal. If the parties reach an agreement, the contract terms shall be modified accordingly by a written amendment signed by the Director of DHS and the authorized representative of the Contractor

If the parties are unable to reach an agreement within 30 days of the Contractor's receipt of a contract change, the MQD Assistant Administrator shall make a determination as to the revised price, and the Contractor shall proceed with the work according to a schedule approved by DHS, subject to the Contractor's right to appeal the MQD Assistant Administrator's determination of the price.

50.400 Offeror Progress

50.410 Offerors

On-site reviews will be conducted by DHS to verify the accuracy and appropriateness of information provided by offerors in their proposals. DHS may request additional information or documentation from the offeror that is reasonably required by DHS in its evaluation of the proposal. If awarded a contract, the offeror shall submit a plan for implementation of GA Physical Evaluation services and shall provide progress/performance reports every two weeks beginning two weeks after the notification of contract award. The format to be used shall be approved by DHS. The purpose of the reports is to ensure that the offeror will be ready to perform GA Physical Evaluations as of January 10, 2005 and that all required elements such as trained staff and the appointment system are in place.

50.420 Inspection of Work Performed

DHS, the State Auditor of Hawaii, the U.S. Department of Health and Human Services (DHHS), the General Accounting Office (GAO), the Comptroller General of the United States, the Office of the Inspector General (OIG), Medicaid Investigation Division of the Department of the Attorney General or their authorized representatives shall, during normal business hours, have the right to enter into the premises of an offeror and/or all subcontractors and providers, or such other places where duties under the contract are being performed, to inspect, monitor, or otherwise evaluate the work being performed. The offeror and/or all subcontractors and providers shall provide access to all records and data which may be required to administer this program, including medical records, without the prior approval of the clients. Monitoring may include but is not limited to semi-annual on-site reviews of the 1270 forms and the GA Physical Evaluation process and other forms. All inspections and evaluations shall be performed in such a manner to not unduly delay work.

**50.500 Wages, Hours and Working Conditions of Employees
Providing Services**

Services to be performed by an offeror and its subcontractors or providers shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work. Additionally, an offeror shall comply with all applicable laws of Federal and State government relative to workers compensation, unemployment compensation, payment of wages and safety

50.600 Standards of Conduct

The Contractor shall certify that the Contractor (1) has not been represented or assisted personally in the proposal nor has been represented in the procurement process by a person who has been an employee of DHS in the preceding year and has participated in the current Medicaid program operation, (2) has not been assisted or represented by a legislator or employee (as defined in Section 84-3, HRS) for a fee or other compensation to obtain the contract, or (3) will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of the contract, if the legislator or employee was involved in the development or award of the contract. The Contractor shall execute the Contractor's Standards of Conduct Declaration, a copy of which is found in Appendix H, and which shall become part of the contract between the Contractor and the State.

50.700 Disputes

Any disputes concerning a question of fact arising under the contract which is not disposed of by agreement shall be decided by the Director of DHS or his/her duly authorized representative who shall reduce his/her decision to writing and mail or otherwise furnish a copy to the Contractor within ninety days after written request for a final decision by certified mail, return receipt requested. The decision shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith. In connection with any dispute proceeding under this clause, a Contractor shall be afforded an opportunity to be heard and to offer evidence in

support of his/her dispute. The Contractor shall proceed diligently with the performance of the contract in accordance with the disputed decision pending final resolution by a circuit court of this State.

Any legal proceedings against the State of Hawaii regarding this RFP or any resultant contract shall be brought in a court of competent jurisdiction in the City and County of Honolulu, State of Hawaii.

50.800 Audit Requirements

The State and Federal standards for audits of DHS agents, contractors and programs conducted under contract are applicable to this subsection and are incorporated by reference into this RFP. DHS may inspect or audit any financial records of an Offeror and its subcontractors or providers

50.900 Offeror Accounting Records Requirements

An offeror shall, in accordance with generally accepted accounting practices, maintain fiscal records and supporting documents and related files, papers and reports that adequately reflect all direct and indirect expenditures and management and fiscal practices related to the offeror's performance of services under this contract.

An offeror's accounting procedures and practices shall conform to generally accepted accounting principles and the costs properly applicable to the contract shall be readily ascertainable from the records.

51.100 Confidentiality of Information

An Offeror agrees that all information, records and data collected in connection with this contract shall be protected from unauthorized disclosures. In addition, an Offeror agrees to guard the confidentiality of applicant and recipient information. The contractor shall not disclose confidential information to any individual or entity except in compliance with

- 42 CFR Part 431, Subpart F;

- the Administrative Simplification provisions of Title II of the Health Insurance Portability and Accountability Act of 1996, Pub. Law 104-191 (HIPAA) and the regulations promulgated thereunder, including but not limited to the Security and Privacy requirements set forth in 45 C.F. R. Parts 160 and 164, and the Administrative Requirements set forth in 45 C.F.R. Part 162 (if applicable);
- HRS § 346-10; and
- all other applicable Hawaii statutes and administrative rules.

The Contractor is cautioned that federal and state Medicaid rules, and some other Federal and State statutes and rules, are often more stringent than the HIPAA regulations. Moreover, for purposes of this contract, the Contractor agrees that the confidentiality provisions contained in HAR Chapter 17-1702 shall apply to Contractor to the same extent as they apply to MQD.

Any other party shall be granted access to confidential information only after complying with the requirements of State and Federal laws and regulations pertaining to such access. The DHS shall determine if and when any other party has properly obtained the right to have access to this confidential information. Nothing herein shall prohibit the disclosure of information in summary, statistical or other form that does not identify particular individuals, provided that deidentification of protected health information must be in compliance with the HIPAA Privacy Rule.

Contractor is a business associate of the DHS as that term is defined in 45 C.F.R. §160.103, and agrees to the terms of the Business Associate agreement provisions attached as Appendix F, which shall become part of the contract between the Contractor and the State.

CONTRACTOR acknowledges that the Security Standards for the Protection of Electronic Protected Health Information, 45 CFR Part 160 and Part 164, Subpart C (the Security Rule), promulgated under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), are effective April 20, 2005, and that CONTRACTOR will be required to enter into a supplement to this Agreement with terms deemed necessary by

the STATE to evidence STATE's compliance with the requirements of section 164.314 of the Security Rule.

51.200 Liquidated Damages

DHS acknowledges that in the event of breach of this contract, it would be difficult to measure damages. Therefore, in the event of any breach of the terms of the contract by the Contractor, liquidated damages shall be assessed against the Contractor in an amount equal to the costs of obtaining alternative services for the members. The damages shall include the difference in the administrative rates paid to the Contractor and the rates paid to a replacement contractor.

Notwithstanding the above, a Contractor shall not be relieved of liability to the State for any damages sustained by the State due to the Contractor's breach of the contract.

DHS may withhold from payments to a Contractor, amounts for liquidated damages until such damages are paid in full.

51.300 Payment

The contractor shall send a CMS 1500 claim form for each completed evaluation to:

ACS
P.O. Box 2561
Honolulu, Hawaii 96804-2561
Attn: Claims Department

Payments will be made by the State's Medicaid fiscal agents. Valid claims must follow the required elements in the Medicaid Manual.

51.400 Compensation

DHS's ability to pay the offeror is directly related to the availability of State funds. DHS will pay under this contract for each evaluation completed. Offerors may submit bids that do not exceed the two rates listed below:

Rate I: \$150.00 is the reimbursement for an outpatient initial examination.

Rate II: \$75.00 is the reimbursement for an outpatient re-examination that is performed sixty days or more after the initial evaluation. The limitation for a re-examination for any one GA client is no more than two THREE (3) in any given year.

The offeror will accept Medicaid reimbursement as payment in full for their services on an exam-by-exam basis. The cost of most standard testing necessary for its physicians to make a determination of disability (temporary or permanent) generally will be covered in either the Rate I or Rate II exam rates. Tests subject to separate reimbursement require prior authorization from the State. Standard tests may include the following: vital capacity ratings, spirometry – FEV1, and FVC, carbon monoxide diffusion, arterial blood gases, 19 blood chemistries, CBC and differential WBC, blood glucose, chest x-ray (2 views), electrocardiograms, and screening work capacity evaluations. Other more complex diagnostic tests needed for the determination of disability will be reimbursed separately and will only be used if approval from the State is received.

Both rates cover all administrative expenses including inter-island travel, scheduling, tracking, reporting, and other costs.

51.500 Payment to Providers and Subcontractors

The offeror shall be responsible for paying its subcontractors and providers in a timely and accurate manner for benefits provided to members. Payments to providers shall be consistent with the claims payment procedures described in §1902(a)(37)(A) of the Social Security Act unless a subcontractor and the organization agree to an alternative payment schedule. This section requires that "90% of claims for payment (for which not further written information or substantiation is required in order to make payment) are paid within 30 days of the date of receipt of such claims and that 99% of claims are paid within 90 days of the date of receipt of such claims." In no event shall the subcontractors and providers look directly to the State for payment. The State and plan members shall bear no liability for

the offeror's failure or refusal to pay valid claims of subcontractors or providers. The offeror shall indemnify and hold the State and the plan members harmless from any and all liability arising from such claims and shall bear all costs incurred in defense of any action over such liability, including attorney's fees.

51.600 Use of Funds

The Contractor shall not use any public funds for purposes of entertainment perquisites and shall comply with any and all conditions applicable to the public funds to be paid under this contract, including those provisions of appropriate acts of the Legislature or by administrative rules adopted pursuant to law.

51.700 Performance Bond

The performance bond shall be liable to forfeit by a Contractor in the event the Contractor is unable to properly, promptly and efficiently perform the contract terms and conditions and/or the contract is terminated by the default or bankruptcy of the Contractor. The Contractor shall obtain a performance bond, with the Department of Human Services, State of Hawaii designated as the sole payee, in the amount of \$50,000 issued by:

- A reputable surety company authorized to do business in the State of Hawaii conditioned upon the prompt, proper, and efficient performance of the contract, and shall submit the same to DHS prior to, or at the time of the execution of the contract (Appendix I-Exhibit B)
- Certificate of deposit; share certificate; or cashier's, treasurer's, teller's or official check drawn by, or a certified check and made payable to the Department of Human Services, State of Hawaii, issued by a bank, a savings institution, or credit union that is insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration, and payable at sight or unconditionally assigned to the procurement officer advertising for offers. These instruments may be utilized only to a maximum of \$100,000 each and must be issued by different financial institutions (Appendix I-Exhibit C)

51.800 Warranty of Fiscal Integrity

An Offeror warrants that it is of sufficient financial solvency to assure DHS of its ability to perform the requirements of this contract. An Offeror shall provide sufficient financial data and information to prove its financial solvency.

51.900 Full Disclosure

An Offeror warrants that it has fully disclosed all business relationships, joint ventures, subsidiaries, holding companies, or any other related entity in its proposal and that any new relationships shall be brought to the attention of DHS as soon as such a relationship is consummated. The terms and conditions of CMS require full disclosure on the part of all contracting Offerors and providers.

An Offeror shall not, without DHS' prior approval, lend money or extend credit to any related party. An Offeror shall fully disclose such proposed transactions and submit a formal written request for review and approval.

An Offeror shall include such provisions in any contract or agreement made with subcontractors or providers.

52.100 Insurance

In addition to the insurance requirement in the general conditions found in Appendix C, the Contractor shall obtain, maintain, and keep in force throughout the period of the contract automobile liability insurance issued by an insurance company authorized to do business in the State of Hawaii, or meet the requirements of section 431.8-301, Hawaii Revised Statutes, if utilizing an insurance company not licensed by the State of Hawaii and complying with the Hawaii No Fault Insurance Law. The coverage limits shall be at least THREE HUNDRED THOUSAND AND NO/100 DOLLARS (\$300,000.00), each person with respect to bodily injury and FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00) each occurrence with respect to property damage. Prior to or upon execution of the contract, the Contractor shall furnish State with a Certificate of Insurance verifying the existence of such insurance. Such certificate shall also contain an endorsement that such insurance may not be

cancelled, except upon thirty (30) calendar days written notice to the State of Hawaii.

Contractor's employees that are required to use personally owned vehicles to carry out services specified in the contract shall be required to have a valid driver's license and to use only vehicles with at least minimum no-fault coverage required by law.

52.200 Termination of the Contract

This contract may terminate or may be terminated by DHS for any or all of the following reasons in addition to the general conditions in Appendix C:

- For any default by an offeror
- In the event of the insolvency of or declaration of bankruptcy by the offeror
- In the event sufficient appropriated; otherwise unobligated funds no longer exist for the payment of DHS obligations hereunder

52.210 Termination for Default

The failure of an offeror to comply with any term, condition, or provision of this contract shall constitute a default by the offeror. In the event of a default, DHS shall notify the offeror by certified or registered mail, return receipt requested, of the specific act or omission of the offeror which constitutes default. The offeror shall have 15 days from the date of receipt of such notification to cure such default. In the event of default, and during the above specified grace period, performance under the contract shall continue as though the default had never occurred. In the event the default is not cured in 15 days, DHS may, at its sole option, terminate the contract for default. Such termination shall be accomplished by written notice of termination forwarded to the offeror by certified or registered mail and shall be effective at the close of business on the date specified in the notice. If it is determined, after notice of termination for default, that the offeror's failure was due to causes beyond the control of and without error or negligence of the offeror, the termination shall be deemed a termination for convenience.

DHS' decision not to declare default shall not be deemed a waiver of such default for the purpose of any other remedy an offeror may have.

52.220 Termination for Bankruptcy or Insolvency

In the event that an offeror shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any State relating to insolvency or the protection of the rights or creditors, DHS may, at its option, terminate this contract. In the event DHS elects to terminate a contract under this provision it shall do so by sending notice of termination to the offeror by registered or certified mail, return receipt requested. The date of termination shall be deemed to be the date such notice is mailed to the offeror, unless otherwise specified.

52.230 Termination for Unavailability of Funds

Notwithstanding any other provision of this contract, the parties hereto agree that the charges hereunder are payable by the DHS solely from appropriations received by DHS from the Legislature of the State of Hawaii. In the event such appropriations are determined, at the sole discretion of the Director of DHS, no longer to exist, or to be insufficient with respect to the charges payable hereunder, this contract shall terminate without further obligation of DHS as of that moment. In such event, the Director of DHS shall certify to the offeror the occurrence thereof, and such certification shall be conclusive.

52.300 Procedure for Termination

Regardless of the circumstances of the termination (for reasons by Offeror or State) the contracting organization shall:

- Stop work under the contract on the date and to the extent specified in the notice of termination.

- Notify subcontractors, facilities, and providers of the termination and arrange for the orderly transition to the new Contractor.
- Place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of the work under the portion of the contract that is not terminated.
- Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination.
- Assign to DHS in the manner and to the extent directed by the MQD Assistant Administrator of the right, title, and interest of an offeror under the orders or subcontracts so terminated, in which case DHS shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- With the approval of the MQD Assistant Administrator, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of the contract.
- Complete the performance of such part of the work as shall not have been terminated by the notice of the termination.
- Take such action as may be necessary, or as the MQD Assistant Administrator may direct, for the protection and preservation of any and all property or information related to the contract which is in the possession of the offeror and in which DHS has or may acquire an interest.
- Within 10 working days from the effective date of the termination, deliver to DHS copies of all current data files, program documentation, and other documentation and procedures used in the performance of the contract at no cost to DHS. An offeror agrees that DHS or its agent shall have a non-exclusive, royalty-free right to the use of any such documentation.

52.400 Termination Claims

After receipt of a notice of termination, an offeror shall submit to the MQD Assistant Administrator any termination claim in the form and with the certification prescribed by the MQD Assistant Administrator. Such claim shall be submitted promptly but in no event later than six months from the effective date of termination. Upon failure of the offeror to submit its termination claims within the time allowed, the MQD Assistant Administrator may, subject to any review required by the State procedures in effect as of the date of execution of the contract, determine, on the basis of information available to him/her, the amount, if any, due to an offeror by reason of the termination and shall thereupon cause to be paid to the offeror the amount to be determined.

Upon receipt of notice of termination, an offeror shall have no entitlement to receive any amount for lost revenues or anticipated profits or for expenditures associated with this or any other contract. An offeror shall be paid only the following upon termination:

- At a price mutually agreed by the offeror and DHS.

In the event of the failure of the offeror and DHS to agree in whole or in part as to the amounts with respect to costs to be paid to the offeror in connection with the total or partial termination of work pursuant to this article, DHS shall determine on the basis of information available the amount, if any, due to the offeror by reason of termination and shall pay to the offeror the amount so determined.

An offeror shall have the right to appeal, any such determination made by the DHS.

52.500 Force Majeure

If a Contractor is prevented from performing any of its obligations hereunder in whole or in part as a result of major epidemic, act of God, war, civil disturbance, court order or any other cause beyond its control, the Contractor shall make a good faith effort to perform such obligations through its then-existing

facilities and personnel; and such non-performance shall not be grounds for termination for default.

Neither party to this contract shall be responsible for delays or failures in performance resulting from acts beyond the control of such party.

Nothing in this section shall be construed to prevent DHS from terminating this contract for reasons other than default during the period of events set forth above or for default if such default occurred prior to such event.

52.600 Conflict of Interest

An offeror covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with its performance hereunder. An offeror further covenants that in the performance of the contract no person having any such interest is presently employed or shall be employed in the future.

52.700 Prohibition of Gratuities

Neither an offeror nor any person, firm or corporation employed by an offeror in the performance of this contract shall offer or give, directly or indirectly to any employee or agent of the State of Hawaii, any gift, money or anything of value, or any promise, obligation, or contract for future reward or compensation at any time during the term of this contract.

52.800 Attorney's Fees

In the event that DHS should prevail in any legal action arising out of the performance or non-performance of this contract, the offeror shall pay, in addition to any damages, all expenses of such action including reasonable attorney's fees and costs. The term "legal action" shall be deemed to include administrative proceedings of all kinds, as well as all actions at law or equity.

52.900 Authority

Each party has full power and authority to enter into and perform this contract, and the person signing this contract on behalf of each party certifies that such person has been properly

authorized and empowered to enter into this contract. Each party further acknowledges that it has read this contract, understands it, and agrees to be bound by it.

SECTION 60

TECHNICAL PROPOSAL

60.100 Introduction

The following section describes the required content and format for the technical proposal. These sections are designed to ensure submission of information essential to understanding and evaluating the proposal. There is no intent to limit the content of the proposal, which may include any additional information deemed pertinent.

The proposal shall include the following sections:

- Transmittal letter
- Executive Summary
- Company background and experience
- Organization and staffing
- Subcontractor listing
- Insurance Certificate
- Proposal Bond
- Federal and State tax clearance certificates

Failure of an Offeror to comply with any of these mandatory requirements will result in a rejection of the proposal during this phase of the evaluation.

There is no intent to limit the content of the proposal which may include any additional information deemed pertinent.

60.200 Transmittal Letter

The Transmittal Letter, included as part of the proposal, shall be on official business letterhead and shall be signed by an individual authorized to legally bind the offeror. It shall include:

- A statement indicating that the offeror is a corporation or other legal entity. All subcontractors shall be identified and a statement included indicating the percentage of work to be performed by the prime offeror and each subcontractor, as measured by percentage of total contract price. If subcontractors will not be used for this contract, a statement to this effect shall be included.

- A statement that the offeror is/will be registered to do business in Hawaii and has/will obtain a State of Hawaii General Excise Tax License by the start of work.
- A statement identifying all amendments and addenda to this RFP issued by the Issuing Office and received by the offeror. If no amendments or addenda have been received, a statement to that effect should be included.
- A statement of affirmative action that the offeror does not discriminate in its employment practices with regard to race, color, religion, creed, age, sex, national origin, or disability status, except as provided by law.
- A statement that neither cost nor pricing is included in this letter or the technical proposal.
- If the use of subcontractor(s) is proposed, a statement from each subcontractor must be appended to the transmittal letter signed by an individual authorized to legally bind the subcontractor and stating the general scope of work to be performed by the subcontractor(s)
- A statement that no attempt had been made or will be made by the offeror to induce any other party to submit or refrain from submitting a proposal.
- A statement that the person signing this proposal certifies that he/she is the person in the offeror's organization responsible for, or authorized to make decisions as to the prices quoted, that the offer is firm and binding, and that he/she has not participated and will not participate in any action contrary to the above conditions.
- A statement that the offeror has read, understands, and agrees to all provisions of this RFP.
- A statement that it is understood that if awarded the contract, the Offeror's organization will deliver the goods and services meeting or exceeding the specifications in the RFP and amendments.

- Registration Form completed and signed (Appendix G)

Also included in the proposal shall be Appendices A, B, D, E, G, H, I.

Failure to include these items in the offeror's proposal may be cause for the proposal to be determined non-responsive and be rejected.

60.300 Executive Summary

The executive summary should provide DHS with a broad understanding of the entire proposal; the executive summary shall clearly and concisely condense and highlight the contents of the proposal in such a way as to provide MQD with a broad understanding of the Offeror's qualifications and approach to meeting the requirements of this RFP.

The executive summary chapter shall highlight the Offeror's:

- Understanding of the scope of services
- Overall approach to the project and a summary of the contents of the proposal
- Qualifications to serve as MQD contractor for the project

60.400 Company Background and Experience

The company background and experience section shall include for an offeror and each subcontractor (if any): details of the background of the company, its size and resources (gross revenues, number of employees, type of businesses), and details of company experience relevant to serving as the contractor.

60.410 Background of the Company

A description of the history of the company including:

- Provide a general description of the primary business of your organization and its client base
- Provide a brief history and current company ownership including the ultimate parent organization and major shareholders/principals. Include date incorporated or formed

and corporate domicile. An out-of-state contractor must become duly qualified to do business in the State of Hawaii before a contract can be executed

- Date Company was established and began operations
- Ownership of the company, including the officers of the corporation, and the name and address of its registered agents
- Home office location and all other offices (by city and state)
- Location of office from which any contract would be administered
- Name, address and telephone number of the Offeror's point of contact for a contract resulting from this RFP
- Number of employees both locally and nationally
- The size of the organization in assets, revenue and people
- The areas of specialization

60.420 Company Experience

The details of company experience including subcontractor experience, relevant to the proposal shall cover:

- Experience in providing the required GA evaluation services
- Experience with Medicaid and the QUEST Programs
- Experience with Social Security and advocacy programs
- Outline of existing physical evaluation services offered that are similar to the RFP
- Other relevant experience

60.500 Organization and Staffing

The organization and staffing section shall include organization charts of proposed personnel and resumes of all management, supervisory and key personnel. The information should provide the State with a clear understanding of the organization, functions of key personnel and on-site personnel during start-up and on-going operations.

60.510 Organization Charts

The organization charts shall show:

- Relationships of the offeror to related entities
- Organization structure, lines of authority, functions and staffing
- All current or proposed key personnel, including an indication of their major areas of responsibility and position within the organization
- Geographic location of Hawaii based and subcontractor personnel

60.520 Personnel Resumes

The resumes of key personnel shall include, where applicable:

- Experience with the Medicaid and QUEST programs
- Experience with Social Security and advocacy programs
- Length of time with the contractor or related organization
- Length of time in the healthcare industry
- Previous relevant experiences especially related to evaluations for Supplemental Security Insurance (SSI)
- Relevant education and training
- Names, positions titles and telephone numbers of at least two references who can provide information on the individuals' experience and competence.

Resumes should be provided for at least the Administration/Program or Executive Director, Financial Officer, Medical Director, and Nurse Coordinator for reviews. The offeror

shall identify an individual within the organization who will be the key contact person for the GA Evaluations. If this individual is not one of the positions for which resumes are required, the resume for this individual shall be included. Otherwise, the resume should identify which individual would be serving as the key contact person for this contract.

If an Offeror seeks confidentiality on a part of a submission, each page of the section of that submission which is sought to be protected must be marked as "Proprietary" and an explanation of how substantial competitive harm would occur if that information was released upon request. If the explanation is sufficient, then, to the extent permitted by the exemptions in Section 92F-13, HRS, 45 CFR Part 5, and Office of Information Practices, or a Court, the affected section may be deemed confidential. Blanket labeling of the entire document as "Proprietary", however, is inappropriate.

60.600 Examiner Listing

The offeror shall identify its physician examiners on each island. The name, address and phone number of the physician examiner will be provided sorted by island with the island of Hawaii divided into two sections, East and West. The offeror must provide services to recipients statewide. If physicians will be flown to Neighbor Islands to provide services on those islands please designate how often this will occur (i.e. once monthly, once weekly, etc.) and the address where the examinations will be performed.

The offeror may provide its network based on subcontractors' intent to contract with the offeror. The solicitation letter used by the offeror to solicit subcontractor names for the purpose of the proposal must be included in the proposal. Within one month of notice of award, the offeror must submit its final network of subcontractors to the DHS. Failure to meet the requirements of the contract will result in a delay in implementation of the contract.

SECTION 70

EVALUATION AND SELECTION

70.100 Introduction

DHS shall conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. DHS shall be the sole judge in the selection of the offeror(s). The evaluation of the proposals shall be conducted as follows:

- Review of the proposals to ensure that all mandatory requirements are met
- Review of the proposals to determine whether the offeror meets the minimum criteria and requirements

Once the technical proposals have been evaluated and the qualifying offeror(s) identified, the process shall continue with the following steps:

70.200 Evaluation Committees

DHS shall establish an evaluation committee that will evaluate the proposal. The committees shall consist of members who are familiar with the minimum standards or criteria for GA and SSI physical evaluation services and the Medicaid Program. Additionally, DHS may, at its discretion, designate additional representatives to assist in the evaluation process. The committee shall evaluate the assigned section of each qualifying proposal and document their comments, concerns and questions.

Evaluation committees shall be established for the following areas:

Mandatory requirements
Qualifications of the offeror
Examiner Network
Adequacy of the GA Physical Evaluation process and other policies and procedures

70.300 Mandatory Requirements

Each proposal shall be evaluated to determine whether the requirements as specified in this RFP have been met. The proposal will first be evaluated against the following criteria:

1. Proposal was submitted within the closing date and time for proposals (refer to Section 20)
2. Proposal contains the necessary information in the proper order (refer to Section 60)
3. All mandatory General and Specific terms and conditions contained in Sections 50 and 60 shall be accepted
4. Proposal contains a proposal bond of \$500.00 (refer to Section 20)

Failure of the offeror to comply with the instructions of this RFP or failure to submit a complete proposal, shall be grounds for deeming the proposal nonresponsive to the RFP. However, DHS reserves the right to waive minor irregularities in proposals provided such action is in the best interest of the State. Where DHS may waive minor irregularities such waiver shall in no way modify the RFP requirements or excuse the offeror from full compliance with the RFP specifications and other contract requirements if the offeror is awarded the contract.

Proposals deemed by the evaluation team to be incomplete or not in accordance with the specified requirements shall be disqualified and the proposal returned to the offeror with a letter of explanation.

70.400 Technical Evaluation Criteria

The technical proposals shall be evaluated first in order to identify those offerors that meet the minimum requirements. Each offeror must obtain a minimum of seventy five percent (75%) of the total points for each of the required review sections. For those offerors who cannot demonstrate that they meet all minimum requirements, the proposals shall be returned with a letter of explanation.

The listing of criteria is not all-inclusive and DHS reserves the right to add, delete or modify any criteria.

- Company background and experience
- Adequacy of the offeror's organization and staffing
- Adequacy of the physician network
- Adequacy of the examination process, and other policies and procedures

Each offeror shall submit any additional materials and documentation reasonably required by the purchasing agency in its evaluation of the proposal.

70.410 Company Background and Understanding

1. How long has the offeror been in business?
2. How long has the offeror been performing physical examinations and in what areas of the state?
3. Has offeror demonstrated knowledge of QUEST and the Medicaid fee-for-service programs?
4. Has the offeror demonstrated experience in providing GA and SSI examinations and re-examinations included in the RFP?
5. If subcontractor(s) are to be used, what are their qualifications in light of the above criteria?

70.420 Adequacy of the Offeror's Organization and Staffing

1. Has the offeror provided an organizational structure and is the staffing sufficient to meet the administrative and services requirements outlined in the RFP? Specifically, has the offeror:
 - a. identified the offeror's key contact for this contract?
 - b. identified the Medical Director?
 - c. identified the GA Physical Evaluation Director or Coordinator?
 - d. identified number of proposed FTE's for administrative support staff and a brief explanation of the development of the FTE estimate?

- e. identified number of proposed physician examiners and a brief explanation of the development of this estimate?
 - f. identified the Financial Officer to oversee the accounting system and to ensure timely and accurate submission of financial reports and invoices?
 - g. identified number of proposed FTE's for appointment system staff and a brief explanation of the development of FTE estimate?
2. Has the offeror included the required resumes?
 3. For each required resume, does the person have experience with the physical examination process, managed care and/or Medicaid programs?
 4. Have suitable references been submitted?
 5. If subcontractor(s) are to be used, what are their qualifications in light of the above criteria?
 6. How will the offeror provide training and education to Hawaii staff and subcontractors?
 7. Is the staff accessible to State employees during normal State business hours?
 8. Has the offeror addressed ability and experience to provide all services?

70.430 Adequacy of the Examiner Network

1. Has the offeror submitted the physician examiner listing? Are any items/categories missing that combined with the offeror would not support the range of services to be performed?
2. Has the offeror provided evidence of how it will pay for services to the physicians or any other subcontractors?
3. Are there any geographic or time limitations regarding services?
4. Has the offeror indicated how soon it will finalize contracts with physicians and/or subcontractors once it is awarded a contract?

70.440 Adequacy of the GA Physical Evaluation Process and Other Policies and Procedures

1. Is the offeror's policies and procedures in accordance with DHS rules and regulations and the job requirements established by the U.S. Department of Labor? DHS reserves

the right to conduct an on-site visit and/or a review of the offeror's examination process.

2. Is the offeror's policies, procedures, and tracking mechanism adequate to make examination appointments, track and provide the necessary paperwork to the BESSD and DHS staff? DHS reserves the right to conduct an on-site visit and/or a review of the offeror's information system, appointment system, forms, and policies and procedures.
3. Is the offeror's policies and procedures adequate to detect, document, and report the ability of a recipient to work?
4. Is the offeror's policies and procedures adequate to detect, document, and report potential fraud and abuse?
5. Has the offeror indicated that it will abide by Medicaid policies and guidelines issued by the State?